

**CITY/COUNTY ASSOCIATION OF GOVERNMENTS
LEGISLATIVE COMMITTEE**

**MINUTES
MEETING OF APRIL 5, 2003**

At 8:00 a.m. Chairman Lee Panza in Conference Room C of San Mateo City Hall, called the meeting to order.

Members Attending: Deborah Gordon, Marc Hershman, Irene O'Connell, Lee Panza, Joe Silva, Mike King (C/CAG Chairman), and Deborah Wilder (C/CAG Vice Chair).

Staff/Guests Attending: Walter Martone (C/CAG Staff - County Public Works), Richard Napier (C/CAG Executive Director), Brian Moura (City of San Carlos).

1. Public comment on items not on the agenda.

None

REGULAR AGENDA

2. Minutes and summary of the meeting of March 1, 2003.

Motion: To approve the minutes as presented. O'Connell/Hershman, unanimous.

3. Update from C/CAG Lobbyist in Sacramento (via conference call).

Through a conference call, Wes Lujan and Chuck Cole provided a briefing on the latest news from Sacramento.

- C/CAG's bill (AB 1546)
 - There is no known opposition.
 - The Local Government Committee Chairman has expressed concern over the nexus of the source of the fee and the stormwater pollution connection.
 - Assemblyman Yee has a similar bill for San Francisco. It passed the Local Government Committee on a straight party line vote.
 - Recruiting business support for our bill would be very helpful.
 - Wes and Walter met with representatives for the Coastal Conservancy and discussed how we could coordinate efforts and not be in conflict. Their bill (AB 204) has been questioned by Legislative Counsel regarding its nexus for stormwater pollution.
 - Assemblyman Simitian is requesting that all San Mateo County State Legislators become cosponsors of the bill.
 - Help is needed in getting additional support from San Mateo County cities. Samceda support would also be helpful.
- Vehicle License Fee (VLF) and State Budget
 - There appears to be agreement in Sacramento that the trigger will be pulled and the VLF will be increased to its former level.
 - The Republicans have indicated that they are still willing to go to court to fight the increase.

- Consideration is being given to finding a way to finance the State debt over a longer period of time.
- It is expected that the Governor's May Revise budget will show the budget deficit as increasing.
- ACA 10 (Exclusion of stormwater pollution from Proposition 218 voting requirements)
 - It is expected to pass the Local Government Committee without problems.
 - It will be very difficult to get the two-thirds vote that is required on the Assembly Floor for this Constitutional Amendment.
- SCA 2 (Reduce voter threshold for passage of transportation sales tax)
 - C/CAG and others had requested amendments to remove the requirement that 25% of the revenues be used for Smart Growth Planning. Torlakson had originally agreed to the amendment and later reneged.
 - There is hope that the Local Government Committee Chair will pull the bill back to the Transportation Committee.
 - C/CAG may want to consider changing its position to "oppose unless amended."
- ACA 7 (Reduce voter threshold for passage of transportation sales tax)
 - The bill was recently amended to authorize a local transportation authority instead of the cities and the county to place a measure on the ballot.
- Recall of the Governor
 - The campaign appears to be intensifying and the Governor is showing greater concern over it.
 - The recent decision finding fault with the energy companies was a boost for the Governor.
 - Recent polls show that 72% believe the Governor is doing a poor job.
 - By September 2nd the recall campaign must 1.2 million signatures to ensure that 900,000 will be validated.
- State mandates
 - It appears that the legislature will wait until it is forced to make decisions on repealing, delaying, or rescinding mandates. If it happens at all, it will likely be part of a final budget package.
 - Letters of support for bills that reduce or eliminate mandates would be helpful.
 - Letters that suggest general criteria for an acceptable budget package would also be helpful.

4. Consideration of positions on –

- **AB 980 – Housing element self-certification**
- **AB 646 – Revenue sharing**
- **AB 1221 – Local Government revenue restructuring**
- **AB 504 – Penalties in parks and open space districts**
- **AB 613 – State mandates**
- **SB 103 – Internet sales tax**
- **SB 157 Streamlined sales and use tax**
- **SB 196 – Regional water quality control boards**
- **AB 574 – San Francisco vehicle registration fee**
- **AB 478 – Abandoned vehicle abatement**

AB 980 (Salinas): Very few cities in San Mateo County have been able to meet the standard of having met its "fair share" in the previous cycle. Foster City is a possible model that other cities

should review. Although this bill may not help San Mateo County jurisdictions in the short term, it may have positive benefits in the future.

Motion: To recommend a “support” position on AB 980. O’Connell/Hershman, unanimous.

AB 646 (Mullin): This bill could put San Mateo County jurisdictions at a competitive disadvantage for State infrastructure funds. There are no big box retailers or auto dealerships anticipated to be relocating within San Mateo County. It was suggested that we send a delegation to meet with the Assemblyman to discuss ways that Joint Powers Agencies such as C/CAG could also become a model and receive priority for State infrastructure funds.

Motion: To recommend that a meeting be held with Assemblyman Mullin to discuss amendment to AB 646. O’Connell/King, unanimous.

AB 1221 (Steinberg and Campbell): Although this bill appears to be swapping money that fluctuates for a more stable source of funds, it is doing it at a time when the sales tax funding is low. Therefore it would be an unequal swap. Also it is the cities that do all of the work to stimulate sales tax funding, while the State would be getting the benefit under this bill. There is no Constitutional protection that the State will continue to honor the funding agreement in the bill. Before C/CAG takes a position on this bill, the following items should be addressed –

- Need to know which jurisdictions will win or lose under the proposal.
- Need to prepare a funds restructuring alternative.
- There needs to be Constitutional protection for local government resources.
- There may not be sufficient ERAF funding to do the swap.
- Cities have already adjusted to a system dependent on the sales tax. This proposal would require them to again restructure their finances.
- The State wants to take the best parts of the revenue stream.
- There needs to be major fiscal restructuring instead of bits and pieces.
- There needs to be a balance in revenues overall.
- The models used by other states should be considered.

Staff was requested to request that the City Managers’ Association consider the bill and to bring it back to the Legislative Committee next month.

AB 504 (Yee): The Assemblyman has specifically requested that C/CAG support this bill.

Motion: To recommend a “support” position on AB 504. Wilder/O’Connell, unanimous.

AB 613 (Campbell): The fact that this bill permanently affects the implementation of State mandates may create problems for its passage.

Motion: To recommend a “support” position on AB 613. Wilder/O’Connell, unanimous.

SB 103 (Alpert): This bill will hopefully generate substantially more sales taxes by including Internet sales where the company has a “presence” in California.

Motion: To recommend a “support” position on SB 103. Hershman/O’Connell, unanimous.

SB 157 (Bowen): California should be at the table when the rules are set for a uniform sales tax

policies across the country.

Motion: To recommend a “support” position on SB 157. O’Connell/Gordon, unanimous.

SB 196 (Kuehl): C/CAG has had countless instances where members of the Regional Water Quality Control Board have refused to communicate with us. It appears that they are only interested in hearing from their own staff. This issue needs to be communicated directly to Senator Kuehl.

Motion: To recommend a “support” position on SB 196. Hershman/Wilder, unanimous.

AB 574 (Yee): The Assemblyman may be asking for C/CAG’s support on this bill. The bill is very vague – it does not define what is so unique about San Francisco. If asked we should offer suggestions to make this bill better.

AB 478 (Ridley and Thomas): This bill was recently amended to remove the provisions that were important to C/CAG Abandoned Vehicle Abatement Coordinator. This bill should just be watched until Chief Granucci presents his recommendation. It was also noted that the limit of seven days to reclaim a vehicle could be too short a time. There is also the issue of having storage charges accrue that could exceed the value of the vehicle.

5. Summary of bills that may be of interest to C/CAG and recommended process for tracking of bills.

The Committee reviewed a report of over 200 bills that may be of interest to local governments.

There was discussion about how to inform other Councilpersons about the workings of the Legislative Committee. It was suggested that a special work session with a panel of speakers, be held sometime after the State budget has been passed. The purpose would be to prepare for the second part of the Legislative Session and to get other Councilpersons involved.

6. Adjournment.

At 10:12 a.m. the meeting was adjourned.